

Decision No. 22053 :**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PICKWICK-GREYHOUND OF CALIFORNIA, LTD.,
 for an order authorizing the issue of
 five (5) shares of its capital stock,
 and for the transfer of certain operative
 rights from Pickwick Stages System and
 the application of PICKWICK STAGES SYSTEM
 for authority to transfer the operative
 rights granted to it under Decision No.
 20676.

Application No. 16166

Warren E. Libby, for applicants.

BY THE COMMISSION:

O P I N I O N

In the above entitled matter the Railroad Commission is asked to make an order (1) authorizing Pickwick Stages System to transfer to Pickwick-Greyhound of California, Ltd. a certain operative right acquired by Pickwick Stages System under authority granted by the Commission's Decision No. 20676, dated January 17, 1929, and (2) authorizing Pickwick-Greyhound of California, Ltd. to issue five shares of its common capital stock of no par value.

The application shows that Pickwick-Greyhound of California, Ltd. was organized on or about September 23, 1929, under the laws of the State of California, for the purpose, primarily, of engaging in the business of transporting passengers and express, by auto stages, between Los Angeles and a point on the California-Nevada state line near Wheaton Springs, California. It appears that the company is a subsidiary of Pickwick-Greyhound Lines, Inc., a Delaware corporation, and, if authorized to do so, will operate stages so that it may connect with the transcontinental operations of Pickwick-

Greyhound Lines, Inc., which now operates, through its subsidiaries, in the states of Nevada, Utah, Wyoming and further east into Kansas City, Missouri. Applicants report that the California corporation will be wholly owned and controlled and adequately financed by Pickwick-Greyhound Lines, Inc.

To enable it to conduct its operations in the manner proposed, Pickwick-Greyhound of California, Ltd. proposes to acquire from Pickwick Stages System, an operative right heretofore granted that company by this Commission in its Decision No. 20676, entered on January 17, 1929, in Application No. 14682, permitting the transportation of passengers and express between Los Angeles and the California-Nevada state line, and intermediate points, over and along the following route:

Over the Valley Boulevard extending easterly from Los Angeles via Pomona to Ontario, thence easterly over Holt Avenue to Archibald Avenue, thence northerly over Archibald Avenue to Colton Avenue, thence easterly over Colton Avenue via Guasti and Bloomington to Colton, thence northerly over Mt. Vernon Avenue to San Bernardino, thence northerly over United States Highway No. 66 through Cajon, Victorville, Oro Grande and Barstow to Daggett, and thence northeasterly over the Arrowhead Trail via Yermo, Baker and Wheaton Springs to the point where the said highway intersects the California-Nevada State line.

PROVIDED, however, that only such passengers and express shall be transported over and along said route as shall be destined to or shall originate at points on said route north of Yermo, and provided further that such express matter may be transported only on the regular passenger stages operated by applicant and shall be limited to packages weighing not in excess of one hundred pounds each.

It is reported that Pickwick-Greyhound Lines, Inc. will furnish all capital and equipment required in the operation of Pickwick-Greyhound of California, Ltd. The latter corporation, it appears, has an authorized capital stock of 2,000 shares of no par value and of equal rights, of which five shares have been subscribed by the company's five incorporators. These incorporators, it is reported, have paid

the necessary incorporation fees and expenses, and attorney's fees incurred in the organization, amounting in the aggregate to \$250.00, and it appears to us that in consideration for such payment the corporation may at this time be permitted to issue the five shares of stock requested in the application.

It seems to us that the granting of this application is in the public interest. In authorizing the transfer of the operative right, however, we wish to place the purchaser upon notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the State, which is not in any respect limited to the number of rights which may be given.

O R D E R

Application having been made to the Railroad Commission for an order authorizing the transfer of an operative right by Pickwick Stages System to Pickwick-Greyhound of California, Ltd. and the issue by the latter company of five shares of its common stock of no par value, and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted as herein provided, and that the money, property or labor to be procured or paid for through the issue of the stock is reasonably required for the purpose specified herein, which purpose is not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Pickwick Stages System be,

and it hereby is, authorized to transfer to Pickwick-Greyhound of California, Ltd. the operative right heretofore acquired by it under authority granted by Decision No. 20676, dated January 17, 1929, in Application No. 14682, which operative right is referred to and described in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that Pickwick-Greyhound of California, Ltd. be, and it hereby is, authorized to issue five shares of its common capital stock of no par value in payment of the organization and corporation expenses set forth in this application.

The authority herein granted is subject to the following conditions:

1. Pickwick Stages System shall unite immediately with Pickwick-Greyhound of California, Ltd. in common supplement to the tariff on file with the Commission covering operations under the operative right herein authorized to be transferred, Pickwick Stages System on the one hand withdrawing, and Pickwick-Greyhound of California, Ltd. on the other accepting and establishing such tariff and all effective supplements thereto.

2. Pickwick Stages System shall withdraw immediately time schedules filed in its name with the Railroad Commission covering its service under the operative right herein authorized to be transferred, and Pickwick-Greyhound of California, Ltd. shall file, in duplicate, in its own name, time schedules covering such service, which time schedules shall be identical with those now on file in the name of Pickwick Stages System, or time schedules satisfactory to the Commission.

3. The right and privilege herein authorized to be transferred may not hereafter be sold, leased, transferred or assigned, or service thereunder discontinued, decreased or changed, unless

written consent of the Railroad Commission is first secured.

4. No vehicle may be operated by Pickwick-Greyhound of California, Ltd. under the authority herein granted unless such vehicle is owned by said company, or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

5. Pickwick-Greyhound of California, Ltd. shall keep such record of the issue of the stock herein authorized as will enable it to file, within thirty days thereafter, a verified report, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

6. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 29th day of January, 1930.

Al Seavey

Leon O'Whalley

Howard Cortell

Commissioners.